



In
Committee

REVENUE SHARING: \$1.1-BILLION FOR RURAL DEVELOPMENT

The Senate Agriculture and Forestry Subcommittee on Rural Development began hearings April 23 on the Administration's rural revenue-sharing program.

Reference. *President Nixon's message to Congress on rural community development, Weekly Report p. 635.*

President Nixon March 10 sent a message to Congress proposing a \$1.1-billion revenue-sharing program for rural development. A bill (S 1612) to establish a revenue-sharing program for rural development was introduced April 21 in the Senate.

Sen. Hubert H. Humphrey (D Minn.), chairman of the Subcommittee on Rural Development, began hearings on the rural revenue-sharing bill "to hear the details of what the Administration believes the remedies" should be for rural America. The rural revenue-sharing hearings were the first held on the Administration's \$5-billion general revenue sharing and \$11-billion package of six special revenue-sharing proposals.

Testimony April 23

John Connally, Secretary of the Treasury:

"Most of the social difficulties we face today are the direct result of concentrating people and resources in small areas—otherwise known as cities....

"A balanced approach to domestic development requires that we make our rural areas more attractive places in which to live and work—attractive both for those remaining and those returning. To do this we must increase the economic vitality of rural America.

"I believe the special revenue-sharing proposal under discussion this morning can help measurably in accomplishing this task.

"Now I've heard some doubts and fears expressed about some aspects of rural revenue sharing.

"...I want to say here and now—so everyone can understand it—that we have heard the fears about the extension service, and we have taken action to meet those fears.

"The extension service will be maintained.... That should solve that problem.

"We've also had some fears and doubts and groans about the Appalachian Regional Commission, which also would be folded into the program. The simple fact is that this proposed law permits continuation of the Appalachian program with just as much money as before. The only difference will be that from now on the continuation will be by local choice with increased local control over the operations of this program."

Clifford M. Hardin, Secretary of Agriculture:

"The plight of rural America is a national challenge.

"What we are talking about is balanced growth. Ways must be found for rural communities and large cities to 'progress together in a dynamic balance as partners in the best sense' as the President has said.

"The proposal is simple in design. It provides for a consolidation of the funding of grant programs that currently operate in rural areas and smaller cities. Next it provides for the allocation of funds to each state in accordance with a formula that has been developed to assure equitable treatment.

"The formula takes into account the size of each state's rural population, the income level of its rural residents and its rural population growth rate as compared with the national

average. The lower the state's rate of rural growth, the greater its revenue share.

"The basic requirement is that all rural community development revenue sharing funds be spent for the direct benefit of rural people. The money could be used for any one or more of the purposes now authorized under existing grant programs. Any type of project or activity will qualify, as long as it comes under the heading of rural community development...."

George Romney, Secretary of Housing and Urban Development:

"As the President pointed out, the efforts we and other agencies have been making to help rural areas under the existing program structure have been plagued by problems of inflexibility, priority distortion and flawed accountability. The maze of regulations and guidelines that characterize so many programs and the diffusion of responsibility and accountability they encourage bear hardest upon the smaller communities and rural areas....

"Although the basic formula for urban community development revenue sharing would provide that 80 percent of the funds be allocated to the nation's metropolitan areas, smaller communities in rural areas are eligible for the 20 percent in discretionary funds to be administered by HUD.

"...Recognizing that a number of smaller localities in both rural and metropolitan areas have been receiving grant assistance from our department, and that under urban community development revenue sharing they would not be eligible for a formula share, the President has proposed \$100-million in additional non-formula funds to assist such communities."

Dr. George H. Brown, director, Bureau of the Census:

"The absolute number of rural residents in the United States in 1960 and 1970 was virtually the same. In 1970, the number was 53.9 million. The number of persons living in rural towns and cities (population of 1,000 to 2,500) was almost the same at the beginning and the end of the decade. The same statement applies to the number of persons living in places with fewer than 1,000 persons and in the open country. However, the number of persons living on farms declined from 15 million to 10 million.

"Americans are traditionally a mobile people and the experience of the 1970s has been that they continued to move freely from one part of the country to another, from rural to urban areas.... With increased nationwide channels of information and with increased ease of moving from one area to another, it is to be expected that Americans will continue to respond to what they believe to be differentials in opportunities."

VIETNAM WITHDRAWAL

The Senate Foreign Relations Committee opened hearings April 20 and 21 on six bills and resolutions relating to the Indochina war, including the Vietnam Disengagement Act (S 376), which calls for withdrawal of all U.S. forces by Dec. 31, 1971.

The other bills and resolutions were S 974, S J Res 82, S Con Res 17, S Res 62 and S Res 66.

References. *President's troop withdrawal announcement, Weekly Report p. 829; Congress and the war, p. 781; anti-war bills, p. 364.*

Testimony April 20

George McGovern (D S.D.):

"I plead with the members of this committee to give their full endorsement to the Vietnam Disengagement Act of 1971, S 376, which I introduced Jan. 27, 1971, with Sen. Hatfield and others. Let me clearly and briefly summarize its provisions.

"Our bill would set a deadline of Dec. 31 of this year for the withdrawal of all American ground, air and naval forces from Indochina. Beyond that date, funds would remain available only for (1) arranging the return of prisoners; (2) providing for asylum or other means of assuring the safety of South Vietnamese who might be endangered by our withdrawal, and (3) offering assistance to the Republic of Vietnam, if the Congress approves such assistance."

Vance Hartke (D Ind.):

"The setting of an agreed date for complete U.S. military withdrawal from Vietnam is the absolutely indispensable first step toward a negotiated settlement of the war on all fronts. That date, in my judgment, could be anywhere from 30 days from now—as my resolution would have it (S Res 66)—to the middle of 1972....

"Let me begin by dismissing as almost wholly irrelevant the very modest increase Mr. Nixon announced in the troop withdrawal rate. Even if it were to continue through 1972—and we have no assurance that it will—leaving only a residual ground force by election day, there is still the likelihood of heavy American participation in an air war against North Vietnamese and P.R.G. (Provisional Revolutionary Government) forces. And so long as that continues, there will be no peace in Indochina—and no return of our prisoners of war."

Alan Cranston (D Calif.):

"Only by announcing that we will have all our men out of Indochina by a certain date, and making that date public, can we convince the North Vietnamese that we sincerely intend to leave. And only then, I believe, can they be persuaded to negotiate the return of our prisoners."

Mark O. Hatfield (R Ore.):

"Now, I agree wholeheartedly that the President has the legal constitutional authority for protecting our troops. And he certainly has the constitutional authority to withdraw them.

"But, the issue is that the President's policy includes far more than that. He is pursuing 'Vietnamization' and wants to give the South Vietnamese a fair chance to defend themselves....

"Now we may agree or disagree with the policy of Vietnamization. But regardless of our preferences, I do not believe the President has the legal, constitutional authority for pursuing the objectives and goals of that policy."

April 21

Jacob K. Javits (R N.Y.):

"I personally favor establishing June 20, 1972, as the terminal date for the withdrawal of all remaining U.S. military forces in Vietnam, except such forces as might normally be stationed in a nation we are assisting in the traditional manner of military assistance programs where U.S. involvement in local fighting is strictly and conspicuously prohibited."

Walter F. Mondale (D Minn.):

"But while we still have a military presence in Indochina, it is absolutely essential that every step be taken to prevent a wider war. That is why Sen. Saxbe and I have raised this crucial question: should the President send our forces to carry out or support an invasion of North Vietnam—with all an invasion could imply—without the prior authorization of the Congress?

"...All of us—including the President's own advisers—must know that an invasion of North Vietnam risks the involvement of Communist China. And that prospect would carry implications, at home as well as abroad, as serious as any we have ever faced in the nuclear age."

Jack Miller (R Iowa):

"Specifically, I am here to urge the committee's favorable consideration of my proposal which is set forth in S J Res 82. In essence, the resolution calls for total withdrawal of all U.S. military personnel in South Vietnam within 12 months following completion of the exchange, under appropriate international supervision, of all prisoners of war."

Adlai E. Stevenson III (D Ill.):

"S Con Res 17 reaffirms the neutrality of the United States in the South Vietnamese elections; calls upon the President to implement a policy of strict neutrality; and creates a bipartisan, 10-member congressional commission, supported by a staff in South Vietnam throughout the election campaign, to oversee U.S. policies and activities which might interfere with the electoral process....

"The resolution goes a step further by expressing the sense of the Congress that we shall as a nation support only a freely elected government and that therefore no U.S. military assistance will be available to any government which acquires or retains power in South Vietnam by means of a coup or other corrupt or coercive means...."

HEALTH MANPOWER

The House Interstate and Foreign Commerce Subcommittee on Public Health and Environment continued hearings April 21-22 on bills extending and revising major existing health manpower laws.

Reference. *Weekly Report* p. 935.

Testimony April 21

Dr. William G. Anlyan, vice president for health affairs of the Duke University School of Medicine, testifying for the Association of American Medical Colleges (*Lobby affiliation, 1958 Almanac* p. 657):

Although the federal government has given massive support for medical research, comparable support for education and service functions has not been forthcoming. As a result, U.S. medical schools "have been brought to the brink of financial chaos."

During fiscal 1970, 61 of the 102 medical schools sought special federal grants to offset financial distress. For 32 schools, the financial problems were so serious that the continued operation or accreditation of the schools was threatened.

At a minimum, extension of the Health Professions Educational Assistance Act should be for four years to allow four-year medical schools time for prudent planning. A five-year extension would provide valuable stability for longer-range planning.

For construction assistance, a bare minimum would be the authorization figures in HR 4171—\$300-million in fiscal 1972, rising to \$500-million by fiscal 1976. The authorizations in HR 4155—\$325-million in fiscal 1972, climbing to \$425-million by fiscal 1974—clearly are to be preferred, particularly if they were extended two additional years, increasing at the same rate.

The present federal share of construction costs which ranges from 50 percent to 75 percent is inadequate. Both HR 4171 and HR 4155 propose changes in the right direction. HR 4171 would increase the range to 75 percent to 85 percent; HR 4155, from 66-2/3 percent to 75 percent.

The Administration proposal for a flat federal share of 67 percent would represent an increase over the current share in some instances. But it would provide no increase at all for construction of a new school or for major expansion of an existing school. The proposed reliance by the Administration on interest subsidy and loan guarantees as the method of assistance for buildings in which interest and amortization costs must be covered by the income they generate is unrealistic and inappropriate.